MANUFACTURED HOUSING

Single Family Housing Guaranteed Loan Program
Training Objectives

• Where is the topic located?
  * 7 CFR Part 3555 and HB-1-3555

• Learning Checks

• Resources
Things change!

• Every effort has been made to ensure training references are accurate at the time of publication.

• Always reference the most recent USDA publications available online.
Guaranteed Loan Program Regulation

7 CFR Part 3555

- The regulation is the rule!
- 8 Subparts: A – H
- Appendix 1
7 CFR Part 3555

7 CFR Part 3555

Handbooks

HB-1-3555 SFH Guaranteed Loan Program Technical Handbook
HB-1-3555 Direct Single Family Housing Loans and Grants - Field Office Handbook
HB-2-3555 Direct Single Family Housing Loans and Grants - Centralized Servicing Center Handbook
HB-3-3555 MFH Loan Origination Handbook
HB-4-3555 MFH Asset Management Handbook
HB-5-3555 MFH Project Servicing Handbook
HB-1-3565 Guaranteed Rural Rental Housing Program Origination and Servicing Handbook
Application Information Systems Support Handbook
HB-1-3550 Direct Single Family Housing Loans and Grants - Field Office Handbook

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Chapter 9 - Income Analysis
Chapter 10 - Credit Analysis
Chapter 11 - Ratio Analysis
Chapter 12 - Property and Appraisal Requirements
Chapter 13 - Special Property Types
Chapter 14 - Funding Priorities
Chapter 15 - Submitting the Application Package
Chapter 16 - Closing the Loan and Requesting the Guarantee
Chapter 17 - Regular Servicing-Performing Loans
Chapter 18 - Servicing Non-Performing Loans - Accounts with Repayment Problems
Chapter 19 - Custodial and Real Estate Owned Property
Chapter 20 - Loss Claims - Collecting on the Guarantee

Acronyms

Glossary

Appendix 1 - 7 CFR part 3555
Appendix 2 - Forms and Instructions
Appendix 3 - Review and Appeals
Appendix 4 - Agency and Employee Addresses
Appendix 5 - Income Limits
Appendix 6 - Interest Assistance
Appendix 7 - Caivrs Access Instructions
Appendix 8 - EDI Documentation
Appendix 9 - Penalties
Appendix 10 - Unnumbered Letter and State Supplements
7 CFR Part 3555

Subpart E: Underwriting the Property

- .201: Site requirements
- .202: Dwelling requirements
- .203: Ownership requirements
- .204: Security requirements
- .205: Special requirements for condominiums
- .206: Special requirements for community land trusts
- .207: Special requirements for Planned Unit Developments (PUD’s)
- **.208: Special requirements for manufactured homes**
- .209: Rural Energy Plus loans
7 CFR Part 3555

3555.208 Special requirements for manufactured homes.
(a) Eligible costs.
(b) Loan restrictions.
(c) Construction and development.
(d) Warranty requirements.
(e) HUD requirements.
(f) Title and lien requirements.
Guaranteed Loan Program Technical Handbook

HB-1-3555

- Provides guidance to support the regulation
- HB is not the rule
- 20 Chapters
HB-1-3555 SFH Guaranteed Loan Program Technical Handbook

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Acronyms

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Appendix 1 - 7 CFR part 355
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HB-1-3555

SECTION 2: MANUFACTURED HOMES

13.5 DEFINITION
13.6 AUTHORIZED LOAN PURPOSES
13.7 LOAN RESTRICTIONS
13.8 ADDITIONAL LOAN PROCESSING PROCEDURES FOR PROPOSED CONSTRUCTION INVOLVING A NEW MANUFACTURED HOME
13.9 ADDITIONAL LONA PROCESSING PROCESURES FOR EXISTING PROPERTIES INVOLVING A MANUFACTURED HOME
13.10 CONSTRUCTION AND SITE REQUIREMENTS
13.11 LOAN CLOSING FOR MANUFACTURED HOUSING
   A. Warranty Requirements
   B. Certification Requirements
   C. Lien Release Requirements
   D. Real Estate Tax Requirements
   E. Title and Lien Requirements
   F. Eligibility of Manufactured Homes in SFHAs
TIPS

• Underwriter = USDA Approved Lender
• USDA = not an underwriter
• Research Rule & HB questions: Table of Contents
• Research Rule & HB questions: Control + F
7 CFR PART 3555 / HB-1-3555
LEARNING CHECKS
Question Slide

“Topic”

- Question will be bulleted with scenario, or
- Include a statement/question

TRUE/FALSE or other answer options will be displayed
ANSWER SLIDE

“Topic”

ANSWER: 7 CFR Part 3555 and HB-1-3555 references provided

X. Correct Response

• Additional guidance for clarification may be provided
Manufactured housing

The purchase of a site to place a new manufactured housing unit on a permanent foundation is an eligible loan purpose.

A. TRUE    B. FALSE
Manufactured housing

ANSWER: 3555.208(a)(1), HB 13.6

A. TRUE

- The site and unit must both be part of the collateral
- Loans without a site are ineligible: 3555.203(b)(1)
- Appraised value must support inclusion of debt
Manufactured housing

A manufactured housing unit will include all household furnishings such as sofa, recliners, bedroom suites, etc. These are eligible loan purposes.

A. TRUE     B. FALSE
Manufactured housing

**ANSWER:** 3555.208(b)(2), HB 13.7

**B. FALSE**

- Moveable furniture and other articles are ineligible
- Appliances, carpeting, and heating/AC units are eligible
Manufactured housing

Manufactured housing units must have a minimum of ____ square footage to be eligible for guarantee.

A. 400  B. 900
Manufactured housing

**ANSWER:** 3555.208(c)(1), HB 13.6

A. 400

- Units must have a minimum of 400 square feet of living area
- The unit may be single or double wide
Manufactured housing

Permanent foundations for manufactured housing units must meet ____________________.

A. Federal Manufactured Home Construction and Safety Standards (FMHCSS)

B. International Residential Code
Manufactured housing

ANSWER: 3555.208(c)(4), HB 13.6

A. FMHCSS

Additional unit considerations include:

- Meet HUD heating and cooling requirements for the State
- Any alterations (garage, etc.) must meet FMHCSS
- All wheels, axles, towing hitches, and running gear must be removed
- Unit must meet or exceed the International Energy Conservation Code in effect at time of construction
Manufactured housing

The manufactured housing warranty must identify the unit by _________________.

A. Model #    B. Serial #
Manufactured housing

ANSWER: 3555.208(d)(2), HB 13.6

B. Serial #

Lender must obtain from the dealer:

• Certification the unit sustained no damage
• All sections (if applicable) were sealed per manufacturers requirements
• Evidence the data plate is on the unit

Lender must retain all warranties in permanent loan file
Manufactured housing

Attachment 13-A

Optional form

<table>
<thead>
<tr>
<th>Name(s) of Purchaser/Owner</th>
<th>Manufactured Home Dealer Name, Address and Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Property Address          |                                                      |
|---------------------------|                                                      |
|                           |                                                      |

| Manufacturer, model, data plates of unit purchased |                                                      |
|----------------------------------------------------|                                                      |
|                                                    |                                                      |

The undersigned hereby certifies that any cash payment or rebate as a result of the purchase of the manufacture unit identified has been deducted from the price of the unit and was not paid to the identified purchaser/applicant.

The proposed cost of the identified unit represents the full price of the unit, excluding any purchase with personal funds by the purchaser for furniture.

If furniture was purchased in conjunction with this transaction, we certify a lien will not be filed against the security property.

Thermal requirements in effect at the time of purchase have been met.

| Signature |                                                      |
|-----------|                                                      |
|           |                                                      |

<table>
<thead>
<tr>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>
Manufactured housing
Attachment 13-B
Optional form

### ATTACHMENT 13-B

**Certification of Builder/Contractor**

<table>
<thead>
<tr>
<th>Name(s) of Purchaser/Owner</th>
<th>Builder/Contractor’s Name, Address and Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property Address</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Manufacturer, model, data plates of unit purchased</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

The undersigned hereby warrants:

- The manufactured unit identified has been erected on the subject identified property.
- The property development complies with construction plans.
- The unit, if manufactured in separate sections were properly joined and sealed according to the manufacturer’s specifications.
- The manufactured home sustained no hidden damage during transportation and erection.

**Signature:**

____________________________________________________________________

**Title:** ____________________________  **Date:** ________________
Manufactured housing

Existing manufactured homes currently financed with FHA are eligible to be purchased with a guaranteed loan.

A. TRUE B. FALSE
Manufactured housing

**ANSWER:** 3555.208(b)(3), HB 13.7

B. FALSE

Existing manufactures homes are only eligible if:

- Unit and site are already financed with a USDA loan
- Unit and site are sold from USDA or guaranteed lender REO, and
- Unit must be installed on an eligible permanent foundation
Manufactured housing

A manufactured home is considered “new” when the ____ is dated within 12 months of the unit’s manufacture date.

A. Installation date    B. Purchase agreement
Manufactured housing

ANSWER: 3555.208(b)(3), HB 13.9

B. Purchase agreement

- Purchase agreements must be dated within 12 months of manufacture date of unit
- This indicates a “new” unit
- Units may not be moved from another site except the dealer lot
A manufactured home may be taxed as personal property.

A. TRUE    B. FALSE
Manufactured housing

**ANSWER:** 3555.208(f), HB 13.11 D

B. FALSE

Unit must be:
- Taxed as real estate
- Properly recorded with unit and site
- Covered by standard real property title insurance and include all applicable endorsements
WAY TO GO!
Regulations

GovDelivery Sign up

Thank you for supporting the USDA Single Family Housing Guaranteed Loan Program!
In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA’s TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

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